

Message Text

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ACTION EB-07

INFO OCT-01 AGR-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00

SP-02 STR-01 TRSE-00 CIEP-01 FRB-03 OMB-01 L-02 PA-01

PRS-01 USIA-06 ARA-06 ISO-00 /048 W

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R 080108Z MAR 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6600

INFO AMEMBASSY BOGOTA

USMISSION GENEVA

AMEMBASSY PORT AU PRINCE

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY BRASILIA

C O N F I D E N T I A L MEXICO 2106

E.O. 11652: GDS

TAGS: ETRD, MX

SUBJ: MEXICAN REACTION TO NEW ALL-FIBER TEXTILE BILATERAL HIGHLY
FAVORABLE

REF: STATE 47115

1. UPON RETURN FROM WASHINGTON, UNDER SECRETARY OF INDUSTRY
GUILLERMO BECKER EXPRESSED TO AMBASSADOR JOVA HIS "GREAT
PLEASURE" OVER COOPERATION AND ATTITUDE OF U.S. DELEGATION IN
NEGOTIATION OF NEW ALL-FIBER TEXTILE BILATERAL. BECKER HAD
HIGHEST PRAISE FOR MINISTER JURICH PERSONALLY. HE SAID MEXICO WAS
"VERY SATISFIED" WITH FINAL DRAFT.

2. UNDER SECRETARY BECKER'S REMARKS WERE ECHOED BY OTHER MEMBERS
OF MEXICAN DELEGATION IN SEPARATE CONVERSATIONS WITH EMBOFF
KOHN. GALINDO, LOZADA SANCHEZ, AND LUNA GUERRA ALL DESCRIBED
NEGOTIATIONS AS "HIGHLY SATISFACTORY" AND EMPHASIZED "GOOD
SPIRIT" THAT PREVAILED THROUGHOUT. THEY WERE MOST APPRECIATIVE
OF COURTESY AND HOSPITALITY EXTENDED BY U.S. DELEGATION,
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ESPECIALLY MINISTER JURICH. GALINDO CONTRASTED THE LIBERAL

USG STANCE WITH RECENT MOVES BY SWEDEN, UK AND OTHER MAJOR IMPORTERS TO PLACE MORE RESTRICTIVE LIMITATIONS ON MEXICAN TEXTILES. RAMOS URIARTE, IN HIS CAPACITY AS PRIVATE SECTOR SPOKESMAN, ALSO EXPRESSED HIS PLEASURE OVER NEW AGREEMENT. HE SAID THAT PRIVATE SECTOR REPRESENTATIVES WHO WENT TO WASHINGTON AS UNOFFICIAL ADVISORS TO DELEGATION HAD NO OBJECTIONS WHATSOEVER TO CONDITIONS OF BILATERAL. EVEN ALBERTO FARIAS, DIRECTOR OF IN-BOND INDUSTRIES (WHO DID NOT PARTICIPATE DIRECTLY IN TALKS) PHONED EMBASSY TO EXPRESS HIS OWN PLEASURE OVER NEW BILATERAL WHICH HE OBSERVED WOULD PERMIT "MAQUILADORAS" IN APPAREL SECTOR TO INCREASE THEIR PRODUCTION.

3. SIC OFFICIALS NOTED THAT THEY WENT TO WASHINGTON PREPARED TO FIGHT FOR VERY BEST DEAL POSSIBLE FOR MEXICO, BUT IN AN OBJECTIVE NON-IDEOLOGICAL MANNER. THEY REQUESTED AND RECEIVED RESTRAINT LEVELS RELATED TO THEIR ACTUAL AND HISTORICAL INDUSTRIAL CAPACITY AND GROWTH. WHEREAS PRIOR TO NEGOTIATIONS GOM WAS CONCERNED THAT NEW BILATERAL MIGHT PROVE OVERLY RESTRICTIVE, ITS CONCERN TODAY IS WHETHER MEXICAN INDUSTRY WILL BE ABLE TO FILL NEW QUOTAS, ESPECIALLY IN SECOND AND THIRD YEARS OF THREE-YEAR AGREEMENT. THIS WILL DEPEND TO LARGE EXTENT ON DURATION OF US RECESSION. INDUSTRY IS ALSO WORRIED OVER MOVES BY CONFEDERATION OF MEXICAN WORKERS FOR ANOTHER ACROSS-THE-BOARD WAGE INCREASE IN MAY WHICH IF GRANTED WOULD MAKE MEXICAN TEXTILES LESS COMPETITIVE IN U.S. AND OTHER WORLD MARKETS.

4. GALINDO TOLD EMBASSY CONFIDENTIALLY THAT HEAD OF MEXICAN DELEGATION HAD MORE TROUBLE DEALING WITH ITS TREASURY REPRESENTATIVE DE LA PENA COLINA, THAN WITH U.S. DELEGATION. DE LA PENA FOUGHT INTERNECINELY FOR HIGHER RESTRAINT LEVELS BASED ON "THIRD WORLD" RHETORIC. HE WAS IN DAILY TELEPHONE COMMUNICATION WITH HIS SUPERIOR, ABEL GARRIDO. HIS EFFORTS HOWEVER WENT FOR NOUGHT BECAUSE HE WAS OUTVOTED BY OTHER MEMBERS OF HIS OWN DELEGATION. AT LUNCH WITH ECONOMIC COUNSELOR ON MARCH 7, GARRIDO AND HIS SUPERIOR HECTOR HERNANDEZ REFLECTED TREASURY'S ATTITUDE REMARKING RESIGNEDLY: "WE DON'T LIKE THE NEW AGREEMENT BUT ITS OVER AND DONE WITH".

5. BECKER TOLD AMBASSADOR THAT SECRETARY OF INDUSTRY AND COMMERCE CAMPILLO SAINZ PERSONALLY BRIEFED PRES. ECHEVERRIA ON MARCH 6
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ON TERMS OF NEW BILATERAL AND HELPFUL ATTITUDE OF USG.
JOVA

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